

COMMONWEALTH OF VIRGINIA
VIRGINIA GAS AND OIL BOARD HEARINGS
April 17, 2012 MINUTES

Pursuant to Sections 45.1-361.9B and 45.1361.22.B of the Code of Virginia, the Virginia Gas and Oil Board held its scheduled monthly hearing commencing at 9 a.m. on Tuesday, April 17, 2012, at the Russell County Government Conference Center, 139 Highland Drive, Lebanon, Virginia.

Members present were Mary Quillen, Bruce Prather, Allen Compton, Katie Dye, and Butch Lambert.

Also present were Sharon M. B. Pigeon, Assistant Sr. Attorney General, representing the Board, Rick Cooper, Principal Executive to the Staff of the Board and Diane Davis, Staff of DGO.

1. The board will receive public comments.
No public comments
2. The Board will receive its quarterly report from First Bank and Trust, Escrow Agent for the Virginia Gas and Oil Board.
William Hayter, President of First Bank and Trust Company and Debbie Davis. Debbie Davis reported that the beginning balance as of 01/01/2012 was \$28,797,723.97, Deposits including royalty and working interests was \$506,938.92, Interest Earned in money mark and CDARS was \$39,71.91, Fees \$,154.77, Distributions from Orders was \$860,713.67, Audit Expenses were \$18,581.31 with an ending balance of \$28,457,985.05. William Hayter discussed the return investment rates.
3. A petition from EQT Production Company on behalf of Cheryl Fields, Teresa Campbell and Range Resources-Pine Mountain, Inc. for disbursement of funds from escrow regarding Tract 4, Unit 702835, Russell County, Virginia. Docket Number VGOB-98-0324-0642-03. Continued from March.
Checks to go to Shea Cook. The petition was approved by the Board.
4. A petition from CNX Gas Company LLC for disbursement of funds from escrow regarding a portion of Tract 1 and authorization for direct payment of royalties, Unit R-44, Garden District, Buchanan County, Virginia. Docket Number VGOB-00-0321-0782-03.
Continued to May.
5. petition from CNX Gas Company LLC for disbursement of funds from escrow regarding Tract 2B and authorization for direct payment of royalties for Unit EE-39, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-03-1021-1203-02.
Checks to go to Shea Cook. The petition was approved by the Board for disbursement of Tract 2B in two stages. The account will continue.

6. A petition from CNX Gas Company LLC for disbursement of funds from escrow regarding Tracts 1F & 1G and authorization for direct payment of royalties, Unit EE-37, Maiden Springs District, Tazewell County, Virginia. Docket Number VGOB-03-1021-1205-02.

Checks to go to Shea Cook. The petition was approved by the Board for disbursement of Tracts 1F & 1G in two stages. The account will continue.

7. A petition from CNX Gas Company LLC for disbursement of funds from escrow regarding Tract 3 and authorization for direct payment of royalties for Unit L-42, Garden District, Buchanan County, Virginia. Docket Number VGOB-99-1019-0751-01.

The petition was approved by the Board with the first disbursement done followed by the second account. The account will be closed.

8. A petition from EQT Production Company on behalf of George & Carol Smith, and Range Resources, Pine Mountain, Inc. for disbursement of escrowed funds from Unit 703324, Tract 3, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-97-0415-0574-01.

Check to go to Shea Cook. The petition was approved by the Board.

9. A petition from EQT Production Company on behalf of Quentin M. McCoy and Range Resources-Pine Mountain, Inc. for disbursement of escrowed funds from Unit 703594, Tract 7, Kenady District, Dickenson County, Virginia. Docket Number VGOB-96-0820-0552-04.

Check to go to Shea Cook. The disbursement was approved by the board for Tract 7. The account will continue.

10. A petition from EQT Production Company on behalf of Quentin M. McCoy and Range Resources-Pine Mountain, Inc. for disbursement of escrowed funds from Unit 550453, Tract 2, Kenady District, Dickenson County, Virginia. Docket Number VGOB-09-0616-2535-01.

Checks to go to Shea Cook. The disbursement was approved by the board for Tract 2. The account will continue.

11. A petition from EQT Production Company on behalf of Amy Janette Garrett; Billy and Debbie Garrett; Bradi Mooney Taylor and Jason Taylor; David and Ann Ledgerwood; Fred and Gail Garrett; Joselean S. Garrett; Katrina Garrett Foster and Steven Foster; Linda Fry Campbell and Alan Campbell; Robert E. Garrett and Range Resources-Pine Mountain, Inc. for disbursement of escrowed funds from Unit VC-503308, Tract 2, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-04-0420-1283-02.

Certain checks to go to Shea Cook. The disbursement was approved by the Board with Fred Garret, Billy Garrett, Katrina Foster will have checks sent to them and not Mr. Cook per Executor of his mother's estate. Joselyn Garrett has requested that the check directly. The petition was approved Tract 2, The account is to remain open.

12. A petition from EQT Production Company on behalf of Elizabeth Ann Powers, Betty Lou Powers; Darrell C. Powers and Dorothy Powers; Gaynell P. and Clair Sykes; and Range Resources, Pine Mountain, Inc. for disbursement of escrowed funds from Unit 502597, Tract 3, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-02-0917-1076-01.

Checks to go to Shea Cook. The disbursement for Tract 3 was approved by the Board and the account will be closed.

13. A petition from EQT Production Company on behalf of Elizabeth Ann Powers; Betty Lou Powers; Darrell C. Powers and Dorothy Powers; Gaynell P. and Clair Sykes and Range Resources-Pine Mountain, Inc. for the disbursement of escrowed funds from Unit 535612, Tract 2, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-03-0819-1174-02.

Checks to go to Shea Cook. The disbursement for Tract 2 was approved by the Board and the account will be closed.

14. A petition from EQT Production Company on behalf of Elizabeth Ann Powers; Betty Lou Powers; Darrell C. Powers and Dorothy Powers; Gaynell P. and Clair Sykes; and Range Resources-Pine Mountain, Inc. for the disbursement of escrowed funds from Unit 502970, Tract 2, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-02-1015-1085-01.

Checks to go to Shea Cook. The disbursement for Tract 2 was approved by the Board and the account will be closed.

15. A petition from EQT Production Company on behalf of David and Cathy Adkins and Standard Banner Coal Corporation for the disbursement of funds from escrow from Unit 536865, Tract 1, Kenady District, Dickenson County, Virginia. Docket Number VGOB-08-0219-2150-01.

The petition was approved for disbursement for Tract 1.

16. A petition from EQT Production Company on behalf of David and Cathy Adkins and Standard Banner Coal Corporation for the disbursement of funds from escrow from Unit 536866, Tract 6, Kenady District, Dickenson County, Virginia. Docket Number VGOB-07-0717-1971-01.

The petition was approved for disbursement for Tract 6. The account is to remain open.

17. A petition from EQT Production Company on behalf of Wanda Sue Searce and Forest Landon Searce; Anna Sue Brown; Danny L. Elswick and Sharon Elswick; Darrell F. Presley and Kimberly J. Presley; Debra and William Matthews; Douglas and Barbara Elswick; Earl and Belva Presley; Franklin and Deborah Smith; Gary Presley; Iva Simpkins; Jack and Brenda Presley; James E. Watson; James and Brenda Presley; Juanita Sutphin; Karen and Danny Barber; Larry Presley; Lehman and Hattie Tiller; Margaret and William Halpin; Mildred Wolford; Mabel Presley; Myrtle and Timothy Green; Norma and Woodrow Farmer; Pamela Smith; Ronda and Gerry Fleury; Sharon Yelton; Michael Yelton; Sherry Bartkowiak; Sunset and Deloris Salyers; Thomas and Linda Salyers, Jr.; Virginia L. Johnson and Range Resources-Pine Mountain, Inc. for disbursement of funds from escrow from Unit 536510, Tract

3, New Garden District, Russell County, Virginia. Docket Number VGOB-06-1114-1762-01.

The petition was approved for disbursement for Tract 3. The account will remain open.

18. A petition from EQT Production Company on behalf of Ray Bruce and Marie Powers; Elizabeth Powers; Darrell and Dorothy Powers; Gaynell and Clair Sykes; Robert Garrett; Linda and Alan Campbell; Katrina and Steven Foster; Joselean Garrett; Fred and Gail Garrett; David Ledgerwood; Brandi and Jason Taylor; Billy and Debbie Garrett, Amy Garrett and Range Resources-Pine Mountain, Inc. for disbursement of funds from escrow from Unit 702844, Tracts 1, 3 and 5, Ervinton District, Dickenson County, Virginia. Docket Number VGOB-93-0420-0366-02.
Checks to go to Shea Cook with the exception from Fred Garrett, Katrina Foster, Billy Garrett. Joselean Garrett should receive a check. The petition was approved for disbursement for Tracts 1, 3, 5. The account will remain open.
19. A petition from CNX Gas Company LLC for pooling of coalbed methane unit A-32, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3047.
The Board approved the petition with the submission of the correction to Paragraph 9 in the application. Escrowing will be required.
20. A petition from CNX Gas Company LLC for pooling of coalbed methane unit C-49, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3048.
The Board approved the petition. Escrowing will be required.
21. A petition from CNX Gas Company LLC for pooling of coalbed methane unit B-33, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3049.
The Board approved the petition. Escrowing will be required.
22. A petition from CNX Gas Company LLC for pooling of coalbed methane unit B-40, Garden District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3050.
The Board approved the petition. Escrowing will be required.
23. A petition from CNX Gas Company LLC for pooling of coalbed methane unit B-41, Garden/North Grundy Districts, Buchanan County, Virginia. Docket Number VGOB-12-0417-3051.
The Board approved the petition. Escrowing will be required.
24. A petition from CNX Gas Company LLC to allow election rights for Well BA99A, Hurricane District, Buchanan County, Virginia. Docket Number VGOB-04-0120-1252-01.
CNX LLC is re-pooling to provide Mr. Hess & Mr. Harris to participate in the second well. A corrected ID plat is required. The petition was approved.
25. The Board, on its own motion, will receive corrective testimony from CNX Gas Company regarding the re-pooling of Unit BA-112, Docket Number VGOB-02-0416-1025-01.

The fractional interests shown on the Exhibit E in the first re-pooling were incorrect. The revision shows correct acreage and percentage. The petition was approved.

26. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well 900008, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3053.

The petition was approved by the Board.

27. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well 900024, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3054.

The petition was approved by the Board.

28. A petition from Range Resources-Pine Mountain, Inc. for a well location exception for proposed well V-530111, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-12-0417-3055.

The petition was approved by the Board.

29. A petition from Range Resources-Pine Mountain, Inc. for establishment of a drilling unit and pooling of Well 900008, Rock Lick District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3056.

The petition was approved by the Board with escrowing required for unknowns.

30. A petition from Range Resources-Pine Mountain, Inc. for the establishment and pooling of a conventional well unit, Unit V-530111, Sandlick District, Dickenson County, Virginia. Docket Number VGOB-12-0417-3057.

The petition was approved by the Board with escrowing required for unknowns.

31. A petition from Range Resources-Pine Mountain, Inc. for the pooling of well 900095, Sandlick District, Dickenson County, Virginia. (Unit Name SWVH-1_A-R193-C548_HR). Docket Number VGOB-12-0417-3058.

The petition was approved by the Board with escrowing required.

32. A petition from CNX Gas Company LLC for pooling of coalbed methane Unit B-42, Garden/North Grundy District, Buchanan County, Virginia. Docket Number VGOB-12-0417-3052.

The Board approved the petition. Escrowing will be required

33. The Board will receive an update of Board and Division activities from the staff.

The Board was updated on the sub-audit progress.

Discussed that EQT and CNX were notified to submit additional information to assist in the Sub-audit.

The Board was updated on letters sent out to the operators defining some clarifications and deficiencies on monthly escrow submittals to the escrow agent.

The Board was updated on the progress of electronic filing through e-forms.

The e-forms program should expedite and make docket items more efficient.

34. The Board will review the March 2012 minutes for approval.

Approval postponed to May.

The meeting adjourned at 1:50 p.m.